




North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
3001 Mail Service Center • Raleigh, North Carolina 27699-3001
Tel 919-733-7011 • Fax 919-508-0951

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

September 16, 2005

MEMORANDUM

TO: LME Directors
FROM: Mike Moseley 
RE: Medicare Part D Prescription Drug Coverage

As you know, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 established a new outpatient prescription drug benefit under Part D of Title XVIII of the Social Security Act. LME staff and providers need to be aware of how the transition to Part D will affect consumers of mental health, developmental disabilities, and substance abuse services, and be prepared to help consumers in this transition. Staff also needs to be aware of the various timelines and the steps that must be taken by consumers to maintain and/or access prescription medication coverage.

The Division has been working with a group of interested parties regarding how and what information we need to provide to LMEs and providers regarding Medicare D (including the Council on Community Programs, NAMI, the NC Psychiatric Association, the Mental Health Association, the Arc, the Seniors Health Insurance Information Program [SHIIP], and the Division of Medical Assistance). We have enclosed the first in a series of information that we believe might be helpful for you. We will also be developing a site on our website with links to more information as Medicare Part D is implemented. Please distribute this information to your relevant providers and staff including physicians and case managers.

Overview

The prescription drug benefit begins on January 1, 2006. Coverage for the drug benefit will be provided by private prescription drug plans (PDPs) that offer drug-only coverage, or through Medicare Advantage Plans that offer both prescription drug and health care coverage (MA-PD plans). Plans must offer a standard drug benefit, including many, but not all, of the same drugs that are approved under the Medicaid program, but will have the flexibility to vary the drug benefit within certain parameters. Plans will have utilization tools, prior authorizations and limits, may have preferred tiers and will have network pharmacies. Beneficiaries will pay monthly premiums, deductibles, coinsurance and co-pays, with cost sharing thresholds increasing annually.



There are two steps for consumers to prepare for the transition to Medicare Part D Prescription Drug Coverage:

1. Applying for help with Medicare Prescription Drug Plan Costs unless automatically qualified (see paragraph below)
2. Enrolling in a Medicare Prescription Drug Plan (PDP)

The first step for LMEs and providers is to assure that individuals who are not automatically eligible for help with the Medicare Prescription Drug Plan Costs (low income subsidy) complete an application. (Please see the information below, and the Basic Information document dated August 18, 2005 located as an attachment to this memorandum for more information about who is automatically qualified.) This letter focuses on the process for applying for eligibility. We will send you additional information later about the second step, enrolling in a Medicare Prescription Drug Plan (PDP), as we know more about the plans available in this state.

Help with Medicare Prescription Drug Plan Costs

Assistance with premiums and cost sharing is provided to eligible low-income beneficiaries. The Social Security Administration (SSA) began mailing out and accepting applications for those who need extra help (low income subsidy) and began holding local events in May. The Social Security Administration has also mailed "Important Information from Medicare about Paying for Prescription Drugs" notices to people who are automatically eligible for extra help with drug plan costs, letting them know that they will receive help to pay for prescription drugs through Medicare without needing to apply for it [these letters are included in the enclosed materials]. Those who are automatically eligible are: individuals who receive both Medicare and Medicaid (either full Medicaid benefits or a Medicare Savings Plan); and individuals who receive Medicare and SSI. **These individuals do not have to apply for the low income subsidy.**

LMEs and providers serve individuals who fall into both categories: individuals who are automatically qualified for the subsidy and those who only receive Medicare and are not automatically qualified. **LME and provider staff need to assure that individuals who may be income eligible for the assistance and who do not automatically qualify complete an application.** Applications can be made in a number of ways including: completing the application that may have been mailed directly to the individual; applying on the Social Security Administration website; applying through events sponsored by the Social Security Administration; applying through the local Department of Social Services (this will automatically trigger an application for Medicaid); or applying through the local Seniors' Health Insurance Information Program. All of these agencies having been working closely together on application processes and can be helpful to our consumers.

As the application is designed to be scanned, it cannot be photocopied and there cannot be writing in the margins. The consumer can complete the application, or another person who is familiar with the consumer's circumstances can complete the application. DSS and SSA will accept applications without the applicant's signature; although in that case, a representative must sign. Income and resources determine eligibility, but since there are exclusions, the Social Security Administration advises "if in doubt, fill it out." We encourage you to advise or assist any of your consumers who may possibly be eligible to complete the applications.

Websites for Attachments to This Memorandum:

This memorandum has several attachments; following is a list of the websites where these documents are located:



Medicare Part D Outreach Kit information—"If You Want to Know More" series

<http://www.cms.hhs.gov/partnerships/tools/materials/medicaretraining/MPDCoutreachkit.asp>

Sample Application for Help with Medicare Prescription Drug Plan Costs

http://www.socialsecurity.gov/prescriptionhelp/Medicare%20App%20Form_1020_INST2.pdf

Basic Questions and Answers Regarding Medicare Prescription Drug Coverage, dated August 18, 2005

<http://www.cms.hhs.gov/partnerships/news/mma/qsandas.pdf>

Listing of local SHIP Coordinators:

<http://www.ncdoi.com/Consumer/Shiip/ShiipVolCoordinators.asp>

Other Suggestions and Resources

There are many additional resources that can assist you in working with consumers of MHDDSAS services. Some suggestions follow:

SHIP volunteers are providing free counseling events all over the state as well as "Train the Trainer" events for individuals who will be helping their consumers choose drug plans. The number is 1-800-443-9354 and email is www.ncshiip.com. Contact your county SHIP or visit the website to see when they are having outreach events and "Train the Trainer" events in your area. A document with the county SHIP contacts is attached to this memorandum.

The Social Security website has on-line applications for help with Medicare D drug costs (low income subsidy), as well as samples and a video on how to complete the form, a number of fact sheets and training materials. <http://www.socialsecurity.gov/organizations/medicareoutreach2/>

<http://www.cms.hhs.gov/partnerships/news/mma/default.asp> has a number of resources including outreach toolkits and fact sheets. Up to five per order of "2005 Medicare & You Outreach Toolkit: Medicare Prescription Drug Coverage" can be ordered free of charge.

Frequently Asked Questions are located at—

http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_alp.php

Find the category Prescription Drug Benefit and then select a subcategory to see the related questions.

I hope that you will find this information helpful. We will continue to follow this issue closely and will send more information regarding step 2, enrolling in a Prescription Drug Plan, in the future.

cc: Secretary Carmen Hooker Odom
Allen Dobson, MD
Executive Leadership Team
Management Leadership Team
State Facility Directors
Carol Duncan Clayton
Patrice Roesler
MH Commission Chair
Coalition 2001 Chair
SCFAC Chair

